

A graphic featuring a blurred background of a laptop screen displaying a line graph and a pie chart. Overlaid on this is a white rectangular box with a thin blue border. Inside the box, the text "OPPORTUNITY ZONES" is written in a large, bold, dark blue sans-serif font. Below this, a horizontal line separates the title from the text "Submission Deadline" which is in a smaller, italicized, dark blue sans-serif font. At the bottom of the box, the date "March 2, 2018" is written in a bold, red sans-serif font.

# OPPORTUNITY ZONES

*Submission Deadline*

**March 2, 2018**

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The Federal Tax Cuts and Jobs Act of 2017 included provisions for a new revitalization tool, the Opportunity Zone and Opportunity Fund. Broadly speaking, the Zones and Funds will allow investors to receive tax benefits on currently unrealized capital gains by investing those gains in qualified census tracts (Opportunity Zones). While the federal government is responsible for defining the investment process, the Governor of each state has until March 22, 2018 to nominate 25 percent of qualified census tracts as “Opportunity Zones.” In order to facilitate the selection process, the Governor is seeking input regarding economic conditions and economic development goals and opportunities in your community.

According to criteria used in the [tax code](#), the CDFI fund has produced information regarding eligible tracts for the Commonwealth of Virginia. There are currently 840 eligible census tracts in Virginia. 210 of those census tracts can be nominated by the Governor to be Opportunity Zones.

Please use [this map](#) using information provided by the CDFI Fund to determine eligible tracts in your locality. Please use your cursor or use the arrows in the upper left hand corner of the map to zoom in on your locality. You may also search for census tracts within a specific locality by entering in the name of the locality and clicking the magnifying glass button in the search field on the top left of the map.

Congress issued non-binding guidance on criteria for consideration of Opportunity Zones. Guidance suggests that consideration should be given to census tracts that mutually reinforce state, local, or private economic development initiatives to attract investment and foster startup activity, have demonstrated success in geographically targeted development programs in the past (example: Enterprise Zones) and have recently experienced significant layoffs due to business closures or relocations.

Special consideration will be given to localities and tracts in the Commonwealth that reinforce state or local economic development initiatives. Following guidance from the US Department of Treasury, Virginia Department of Housing and Community Development (DHCD) and Virginia Economic Development Partnership (VEDP) have identified several criteria to assist the Governor in guiding the Opportunity Zone nominations. DHCD is soliciting input from localities and other interested parties.

The identified selection criteria are:

1. Tract is a qualified Opportunity Zone tract.
2. Tract has identifiable state and/or local incentive programs, such as [Enterprise Zones](#).
3. Tract is in a locality with above average or high [Fiscal Stress Index ranking](#).
4. Tract contains or is near an economic investment driver such as a research facility, port, university, hospital, and/or a facility designated by VEDP or other state agency as a strategic site.
5. Tract has access to a major roadway.
6. Tract was identified by the locality as a strategic economic development area. The information furnished by local governments and interested stakeholders will strongly influence the final nominations, but it will likely not be possible to accommodate the priorities identified by every locality.
7. Proportionality:
  1. Our process will consider proportionality at the regional, sub-regional, and local levels. However, due to the small number of eligible tracts in many localities, it is not possible to be strictly proportional at the locality level.
  2. For initial mapping purposes, localities should expect no more than ~25% of their eligible census tracts placed in Opportunity Zones.
  3. Our goal is to have each GO Virginia region have 25% of their eligible tracts placed in Opportunity Zones and we will strive for proportional balance within sub-regions, using regional

EDO boundaries and other proxies for sub-regional shared economic interests.

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## Local Input & Priorities

The Chief Administrative Officers of each locality (Counties, Cities, and Towns) that has an eligible census tract based on CDFI fund information have been notified directly of this nomination process and have received a survey form for making their priorities known.

For a hard copy of the survey questions sent to localities, please [click here](#).

The Department of Housing and Community Development & Virginia Economic Development Partnership encourage additional interested stakeholders to submit their input through the form here: [click here](#).

Additionally, DHCD and VEDP would like to hear from investors who may be interested in targeting their investment in lower income tracts and receiving the potential tax deferral benefits of investing in an Opportunity Zone. Please use the following letter templates and submit your letters via email to [OZ@dhcd.virginia.gov](mailto:OZ@dhcd.virginia.gov).

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- [VA Opportunity Zone General Partner Letter](#)
  - [VA Opportunity Zone Investor Letter](#)
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Please be aware that final selection of Opportunity Zones is subject to approval by the

Governor, and final rules developed by the U.S. Treasury. The information furnished by local governments and interested stakeholders will strongly influence the final nominations, but it will likely not be possible to accommodate the priorities identified by every locality.

We expect a high volume of inquiries and therefore ask that you submit all input through the appropriate forms above. If you have further questions, you may contact Jeff Sadler at [OZ@dhcd.virginia.gov](mailto:OZ@dhcd.virginia.gov)

### Additional Resources:

- <https://www.cdfifund.gov/pages/opportunity-zones.aspx>
- <http://eig.org/opportunityzones>

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### Timeline

- **February 16–March 2**

1. Locality Input Survey – Survey to chief appointed officials (County Administrators, City Managers and Town Managers) requesting priority ranking of their eligible zones based on existing or planned local tools and efforts at encouraging start up activities and revitalization in specific eligible census tracts. Localities will be asked to identify their eligible tracts that are a priority for designation and any special consideration that should be given to 1 or 2 contiguous tracts. **(March 2, 2018 Deadline for input).**

2. General Input and Investor Input **(March 2, 2018 Deadline for input).**

3. DHCD and VEDP coordinate recommended map and criteria through input from state agencies.

4. DHCD and VEDP hold information sessions with General Assembly members.

- **February 23-March 9** – DHCD and VEDP compile state and local input and compare it to identified criteria. Final mapping exercises.

- **March 9** – FINAL DHCD/VEDP nomination recommendations complete.

- **March 20** – Nominations Submitted

